

FAIR

Canadian Foundation *for*
Advancement *of* Investor Rights
Fondation canadienne *pour* l'avancement
des droits *des* investisseurs



Accountability Report

JAN 2012 – JUN 2014

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Our Mission

FAIR Canada's mandate is to be a strong, independent, credible, national voice for investors.

We are committed to advancing stronger investor protections in securities regulation.

Message from Ellen Roseman

Chair



FAIR Canada celebrated its fifth anniversary in 2013. It has firmly established itself as an independent organization that provides a professional, objective and balanced voice for financial consumers on a national basis.

An important development was FAIR Canada's registration as a charity, furthering our efforts to develop a funding plan to sustain the organization in the future. Charitable status allows us to raise funds through charitable donations. It also lends additional credibility to our activities and governance.

As you will read in this report, FAIR Canada's board of directors has created strategic priorities for the next three years. We focus on retail investor issues, particularly the client-advisor relationship and complex, high-fee and high-risk securities. These are issues that Canadian securities regulators have paid attention to in the past few years, issues that FAIR Canada believes are important initiatives that must be moved forward.

Improving the system to protect investors against fraud is another priority, one that was the focus of considerable staff time during the last fiscal year. FAIR Canada issued its second report on combating investment fraud in August 2014.

FAIR Canada's directors want to ensure the organization's resources can respond to new and emerging issues, so we have made this a strategic priority. Fundraising to keep FAIR Canada viable in the future is another priority. We are very grateful to our director Stephen Jarislowsky for his donation of \$2 million into the FAIR Canada Jarislowsky Endowment Fund.

I'd like to thank our management team and employees for their hard work and dedication. I'd also like to thank our current and past directors for their contributions and guidance. While the organization has faced challenges, the directors have shown continued support for FAIR Canada and its mission. The board has benefited from having a number of new directors join us over the past few years, providing new and different perspectives on investor issues.

FAIR Canada is a recognized and valued voice in the policy-making process. I am sure that it will continue to play a key role in advancing investors' and shareholders' interests in the coming years.

On behalf of the Board of Directors,

A handwritten signature in blue ink that reads "Ellen Roseman". The signature is fluid and cursive.

Ellen Roseman, Chair

Message from Ermanno Pascutto

Former Executive Director

Since its inception, FAIR Canada has striven to prove itself as an independent and proactive organization that is able to provide a professional, objective, and balanced voice for Canadian investors. Since the time of our last accountability report, we have tried to nudge the “yardsticks” on a number of key investor protection issues including:

1. the need for a statutory best interest duty;
2. the need to address conflicts of interest in the sale of investment products to facilitate good financial outcomes for the investing public;
3. the need for stricter regulation of the misleading promotion of borrowing to purchase investment products;
4. the serious risks associated with selling speculative investments to unsophisticated and vulnerable investors through equity crowdfunding; and
5. concerns relating to expansion of the exempt market in the absence of sound data and in light of widespread non-compliance with existing rules.



These issues and many more will continue to be more than ably advanced by FAIR Canada’s dedicated staff, including my recently-appointed successor. I am very pleased that the Board was able to appoint Neil Gross as the new Executive Director. Neil is an experienced securities lawyer who has represented retail investors as well as a broad cross section of investment professionals during his career.

FAIR Canada represents the retail investor or consumer of financial products and services – a voice that has been largely absent from policy development in securities regulation. FAIR Canada’s ability to make a difference depends to a great degree on a receptive regulatory environment, made up of individuals dedicated to fulfilling their statutory mandate under securities laws, the most important of which is the protection of investors.

I have found transitioning to retirement easier than the transition from securities regulator/lawyer to consumer representative. I look forward to continuing my involvement in FAIR Canada as a director. I would like to express my thanks to the small but dedicated team at FAIR Canada for their hard work and to our volunteer Board of Directors for their guidance and support over the last six years.

A handwritten signature in blue ink, appearing to read 'Ermanno Pascutto'.

Ermanno Pascutto, Former Executive Director

Message from Neil Gross

Executive Director



Having joined FAIR Canada just five months ago, I'm still pretty new to the securities regulatory policy-making world and many of its features continue to surprise me. I must say, though, that one of the more pleasant and impressive surprises is the extensive consultation that takes place, both formally and informally, as part of the policy-development process. It's great to see securities regulators, governments, self-regulatory organizations, industry participants, advocates, service providers, educators, researchers, and others all communicating and working together to build sound policy. And while sometimes this process can take longer than expected, real progress is being made that will benefit Canadian retail investors.

Progress also is being made in moving FAIR Canada to a new level of independence through broader funding. Early in 2014 we were able to announce a splendid and generous gift of \$2 million from the Jarislowsky Foundation for the establishment of an endowment fund. This came with a challenge from our long-time director, Stephen Jarislowsky, to secure matching funding on a two-for-one basis. FAIR Canada's board has developed a fundraising plan to meet this challenge and set the organization on a firm financial footing – and now we must execute that plan. It will not be easy. Raising at least an additional \$4 million, plus interim and ongoing operational funding, is a big task for such a small organization. However, we know that many Canadians see the need for an organization focused on protecting investor rights, and we believe many leaders in the investment and business community share that vision. They've begun to respond already and I am confident our message will resonate with more and more potential donors across the country in the months ahead.

Of course, funding is merely a means to an end. Financial support allows us to focus on carrying out the core activities our directors help define by setting FAIR Canada's strategic priorities. And that focus is what allows FAIR Canada to consistently punch above its weight, as demonstrated by all the achievements outlined in this report.

I would be remiss if I closed this introduction without expressing my appreciation for the extensive guidance Ermanno Pascutto has provided during my initiation as Executive Director. I also must thank our chair Ellen Roseman and the rest of FAIR Canada's directors for their support, as well as our incredible staff for their hard work and assistance (and patience) in bringing me up to speed. It is a tremendous privilege to be part of this dedicated team, taking FAIR Canada forward together.



Neil Gross, Executive Director

Why do we need FAIR Canada?

Shift in Responsibility for Retirement Savings



The financial services industry plays a significant role in the lives of Canadians. Over time, investments and other financial services and products have become increasingly complicated. Safer investments like government bonds and GICs have yielded low returns. Individuals have increasingly been forced to assume greater financial responsibility for their retirement and for other important financial needs over the years. Investors are expected to read and understand complex disclosure documents despite the fact that most Canadians do not have the time, financial literacy, or expertise to assume this burden.

Given this environment, there is a great need for a professional and independent organization to represent Canadian investors' interests. The regulatory policy-making process requires sophisticated, constructive input about the regulation of investments, and about Canadian equity markets generally.

FAIR Canada has become the national, credible, expert, independent voice that provides the investor perspective on behalf of Canadian investors in securities regulation.

Historical Lack of Investor Voice in Canada

A 2006 expert report by Professor Julia Black, commissioned by the Task Force to Modernize Securities Legislation in Canada, noted that:

Consumer advocates can play an essential role by communicating the interests and needs of retail investors to regulators. There are many active and committed individual consumer advocates in Canada, and a few advocacy groups. However, on the whole the larger, established national consumer advocacy bodies have not been active in securities regulation. This contrasts with the position in Australia, the UK and the EU. Whilst there are many committed and active individuals, there is no real, coherent, national, well-resourced consumer voice representing the interests of all Canadian retail investors in securities regulation.

One of the key recommendations of the expert report was the establishment of an investor advocacy organization: "Regulators and others need to work together to develop a credible, national, well resourced and coherent voice for consumers in Canadian securities regulation."

"Regulators and others need to work together to develop a credible, national, well resourced and coherent voice for consumers in Canadian securities regulation."

Why do we need FAIR Canada?

Industry Representation and Asymmetry

Canadian securities regulators generally have statutory mandates to protect investors from unfair, improper and fraudulent practices and to foster fair and efficient capital markets. In the process of developing policy and priorities, regulators receive substantial input from listed issuers and financial institutions and their legal and other advisors as well as industry lobby organizations. The interests of securities registrants, listed issuers (including their directors and officers) and their advisors are often different from (or even in direct conflict with) those of retail investors and public shareholders. While individual investors often lack the sophistication, expertise, and time to provide input into the regulatory policy-making process, the investment industry brings a strong, well-spoken and well-financed voice to the debate.

The financial industry voice includes profit-motivated lobbying and submissions by corporations, the investment industry, law firms, accounting firms and other well-resourced service providers to the financial industry, and industry associations and advocacy groups, including but not limited to:

The Financial Advisors Association of Canada (Advocis)	Investment Funds Institute of Canada (IFIC)
Alternative Investment Management Association	Investment Industry Association of Canada (IIAC)
Canadian Bankers Association (CBA)	RESP Dealers Association of Canada
Equity Crowdfunding Alliance of Canada	The Canadian ETF Association
Federation of Mutual Fund Dealers	Securities Industry and Financial Markets Association (SIFMA – US)
Financial Planning Standards Council	National Exempt Market Association
Independent Financial Brokers of Canada	Private Capital Markets Association of Canada
Investment Adviser Association	Portfolio Management Association of Canada
The National Crowdfunding Association of Canada	Managed Funds Association

Clearly there is an asymmetry in stakeholder representation in the policy-making process. In order to ensure that all stakeholder voices are heard, it is important that regulators receive constructive, articulate input that focuses on investors' interests. Despite its relatively small size and limited financial resources, FAIR Canada attempts to improve the policy-making process by counter-balancing the financial industry's voice.

Other Consumer Representatives

In addition to FAIR Canada, there are other consumer rights organizations in Canada that represent the retail investor perspective. However, these organizations are not national in scope, have limited mandates, do not communicate in English and French, have limited financial resources, and generally rely on volunteers to represent the interests of retail investors. Similarly, while there are dedicated individual investor advocates making heroic efforts without funding or with minimal external funding at best, they alone are not able to create a level playing field or ensure the investor voice is heard in securities regulation. FAIR Canada, with its national board and full-time, professional staff (which includes securities lawyers) contributes in a way that no other consumer representatives can to help balance out active financial industry lobby efforts and provide the retail investor perspective.

Providing Balance

Regulators and governments pursuing reform benefit from retail investor support for such reform, particularly when they are faced with strong opposition from financial industry participants. Prior to the creation of FAIR Canada, the public process for developing policy and priorities (including legislative change) lacked a balance such that retail investors were woefully underrepresented. The existence of FAIR Canada helps to provide much-needed balance to the securities regulatory policymaking process.

2014-17 Strategic Priorities

FAIR Canada's directors have set strategic priorities for the organization for the next three years. These broad priorities provide guidance for FAIR Canada's activities going forward. FAIR Canada's 2014-2017 Strategic Priorities focus on providing the investor perspective and address core retail investor issues while also providing the flexibility to adapt and respond to emerging issues.

1. Providing the Investor Perspective to Securities Regulators and Governments

FAIR Canada will submit comments on requests for comment issued by Canadian securities regulators (including SROs) and governments that materially relate to our strategic priorities. These comments will focus on providing the investor perspective on policy development.

2. Client-Advisor Relationship

FAIR Canada will continue to call for reform of the client-financial advisor relationship to encourage a better alignment of the interests of retail investors and financial advisors and improve outcomes for the investing public, and will advocate for the adoption of a requirement that registrants have a duty to act in the client's best interests.

3. Complex, High-Fee, and High-Risk Investments

FAIR Canada will investigate and analyze the impact of complex and high-fee investments on investors, promote greater transparency surrounding fees, and call for a ban on compensation that leads to poor advice (including trailer commissions), as well as more substantive regulation of investments that often lead to poor consumer outcomes (such as group scholarship plans).

4. Financial Fraud and Other Misconduct

FAIR Canada will promote the recommendations made in its recent report, A Canadian Strategy to Combat Investment Fraud, with a view to better protecting the investing public from investment fraud.

5. Maintain and Enhance Relationships and Secure Long-Term Funding

FAIR Canada will execute the FAIR Canada Sustainable Funding Campaign.

FAIR Canada will also maintain and enhance relationships with securities regulators, including provincial commissions, SROs, governments, consumer organizations, investor advocates, the media and other organizations.

6. Maintain Capacity on Emerging Issues

FAIR Canada will monitor emerging trends and issues in securities regulation and take action where warranted in the interest of the investing public. Several recent examples of emerging issues where FAIR Canada has been at the forefront are equity crowdfunding, lack of oversight and widespread non-compliance leading to investor harm in the exempt market, expansion of the exempt market, consumer complaints, consumer redress, financial planning, and leveraged investing in mutual funds and similar products.

Education and Communication

As a voice of Canadian investors, FAIR Canada encourages stronger investor protections in securities regulation by educating the public, governments, and regulators about the investor perspective on relevant issues, conducting and publishing research, and providing constructive recommendations in the policy-making process.

Monthly Newsletter

FAIR Canadian Foundation for
Advancement of Investor Rights

FAIR Canada Newsletter
March 2014

The CSA Must Act on Critical Reforms

The Canadian Securities Administrators' (CSA) long-awaited status reports on a best-interest standard and reform of mutual fund fees that were released in December contain no commitment to address the serious investor-protection concerns raised.

The importance of these initiatives cannot be overstated: these are fundamental issues that affect Canadians' ability to save for retirement and other goals. The investor-protection concerns raised in the consultation documents are real, pressing and require timely action in order to protect financial consumers.

The issues raised in the respective 2012 consultation documents have been on the regulatory radar for years. FAIR Canada co-hosted a full-day fiduciary conference in 2010 followed by another roundtable in 2011. Regulators, industry representatives, academics and investor advocates participated in these in-depth discussions. The U.S. and Australia have implemented reforms in the consumer interest; the Council of the European Union has just approved new rules; and the U.S. is considering doing so. But, in Canada, the initiative appears to have run into a roadblock.

This story originally appeared as an [Inside Track](#) op-ed in the online version of Investment Executive. To read the rest of the article on our website, click [here](#).

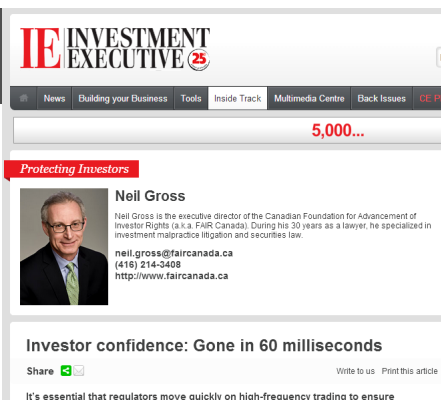
CSA Proposes a Standardized Methodology for Risk in Fund Facts Based on Standard Deviation

FAIR Canada has provided its [comments](#) to the CSA on its [consultation](#) regarding its proposed standardized methodology for risk based on a 10-year standard deviation using monthly total returns. FAIR Canada and other investor advocates previously raised concerns about the lack of disclosure and transparency with respect to the risk rating methodology used by mutual fund companies, and the resulting problem of inconsistent evaluations of risk amongst funds which

FAIR Canada's monthly newsletter serves as its primary source of communication with stakeholders. We actively engage more than 2,000 subscribers on a monthly basis with our email newsletters and occasional newsflashes (distributed in English and French). These emails averaged an "open" rate of 25.4 percent over the past year (the standard set for this industry is 22.7 percent). We have a strong readership and many subscribers forward our newsletters to their colleagues and friends. We also receive feedback from various stakeholders as well as personal inquiries about readers' financial situations; we have observed a strong correlation between the timing of our newsletter email and our receipt of investor complaints or inquiries from the public, which suggests that our message is reaching a receptive audience on issues of relevance to them.

Editorials

FAIR Canada's Executive Director authors a monthly column called [Inside Track: Protecting Investors](#) in Investment Executive's online publication. The column began in September 2013. Please see Appendix C for a list of these editorials.



The screenshot shows the Investment Executive website. At the top, there's a navigation bar with links: News, Building your Business, Tools, Inside Track, Multimedia Centre, Back Issues, and CE. Below this, a large number '5,000...' is displayed. The main content area features a red banner for 'Protecting Investors' by Neil Gross. A photo of Neil Gross is shown next to his name. Below the photo, his bio is provided: 'Neil Gross is the executive director of the Canadian Foundation for Advancement of Investor Rights (a.k.a. FAIR Canada). During his 30 years as a lawyer, he specialized in investment malpractice litigation and securities law.' His contact information is also listed: 'neil.gross@faircanada.ca (416) 514-2408 http://www.faircanada.ca'. Below the bio, there's a section titled 'Investor confidence: Gone in 60 milliseconds' with a 'Share' button and a 'Write to us' link. At the bottom, a quote reads: 'It's essential that regulators move quickly on high-frequency trading to ensure'.

Social Media

In order to reach and provide a source of information to a broad audience, FAIR Canada has developed a Facebook Fan Page, LinkedIn Connections and Group, as well a following on Twitter. Our website information is duplicated on these sites, which link the reader back to our website.



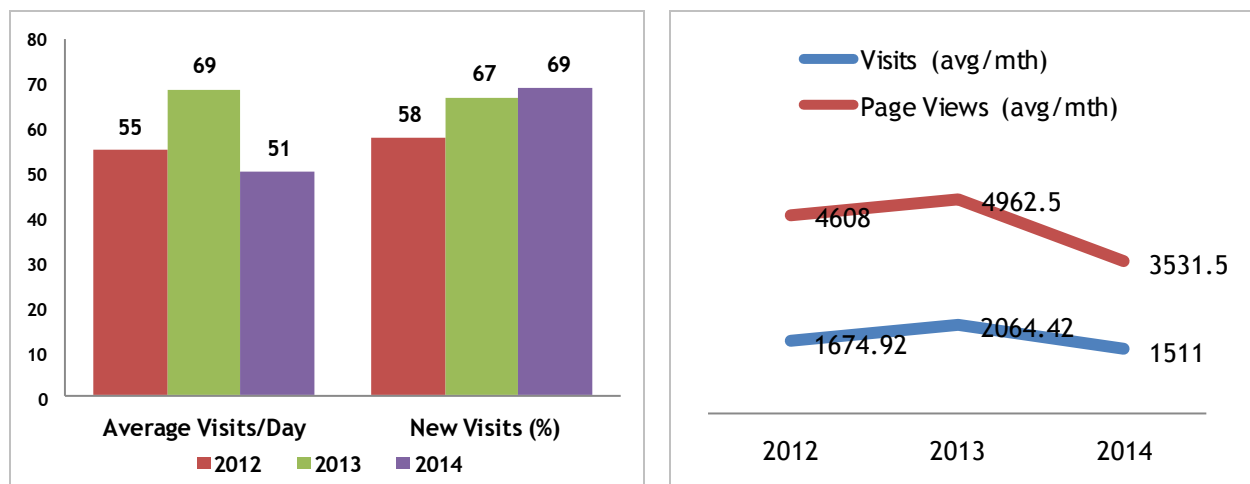
Education and Communication

Website

FAIR Canada's bilingual website serves as an important source of communication with stakeholders. FAIR Canada strives to educate investors, regulators, government, industry, the media and others on issues of importance to investors and the investor perspective. Through concise articles posted under the Top News and Dialogue sections of FAIR Canada's website, we provide insight and links to further topical information, including our comment letters, investor warnings, news about regulatory developments, important legal or policy developments in securities regulation, informative media articles, relevant conferences, and reports of interest to investors.

In 2013, the number of average monthly visits and page views of FAIR Canada's website continued to increase. Average visits per day have also increased from 55 visits per day in 2012 to 69 visits per day in 2013. As of the first half of 2014, while the average visits per day have leveled off, FAIR Canada's profile has grown; the fact that 69 percent of the visits are new indicates that FAIR Canada is continuing to expand its profile and reach new interested individuals and organizations. Investors with complaints or inquiries regularly contact FAIR Canada after finding and reviewing information on our website.

Website Activity



Investor Resources Webpage

FAIR Canada's Consumer Investment Complaints Guide

- Consumer complaints about investments may include:
- unsuitable investments (eg. investments that were too risky for you)
 - an unsuitable investment strategy (eg. inappropriate borrowing to invest)
 - churning or unauthorized trading
 - administrative errors (eg. incorrect statements or transaction errors)
 - charges or fees that are unreasonable or not disclosed
 - financial service provider misconduct, negligence or misrepresentation
 - investment fraud perpetrated by registered or unregistered persons

Remember!



[The Investor Resources page](#) on our website provides information for investors on some key areas of interest. In particular, FAIR Canada's [Consumer Investment Complaints Guide](#) is frequently accessed by retail investors who have a complaint about their investments. FAIR Canada also provides information for investors on how to check registration of a firm or individual, warning signs of fraud, resources on RESPs, and information about the use of leverage for investment purposes. The Investor Resources site is regularly updated and built upon as relevant issues and information arise.

Education and Communication

Conferences, Roundtables and Presentations

FAIR Canada's funding challenges restricted our conference planning activities in 2011 through 2013. In 2014, however, FAIR Canada began plans for a conference in partnership with the Capital Markets Institute (CMI) at the University of Toronto's Rotman School of Management scheduled for the fall of 2014. Information about this conference will be disseminated via our newsletter, on our website, and through CMI. The conference topic is "Does Disclosure Work?". It will examine current research in behavioural science and economics that calls into questions the utility of disclosure, and our panelists will explore the implications of this for securities regulation.

Participation in Conferences, Roundtables and Presentations

FAIR Canada presented at or participated in a number of conferences, roundtables, and educational courses between January 2012 and June 2014 including:

- Panelist - Ontario Ministry of Finance Financial Planning Roundtable (January 14th, 2014)
- Panelist - CFA Society, Crowdfunding or Crowdfleeing? (December 4, 2013)
- Guest Lecture - University of Toronto School of Continuing Studies (October 31, 2013)
- Guest Lecture - University of Toronto Law Ethics and Governance in Business (October 23, 2013)
- Participant – Participated in International Monetary Fund assessment of Financial Sector Assessment Program for Canada (June 2013)
- Panelist - OSC-hosted Roundtable on Best Interests Standard (June 18, 2013)
- Oral Submission - OSC public policy hearing on proposed enforcement initiatives (June 17th, 2013)
- Panelist - OSC's Investor Roundtable on the OSC's exempt market review (June 11, 2013)
- Panelist – OSC-hosted Roundtable on Reform of Mutual Fund Fees (June 7, 2013)
- Panelist - University of Toronto Law's Center for Innovation and Policy's conference, "Equity Crowdfunding: Boon or Bust?" (March 27, 2013)
- Presentation - OBSI staff (December 6, 2012)
- Panelist - Dialogue with the OSC (October 2012)
- Guest Lecture - Ethics and Social Responsibility course at the School of Continuing Studies at the University of Toronto (October 2012)
- Presentation - Canadian Advocacy Council for the Toronto CFA Society (early 2012)
- Presentation - International Joint Forum roundtable on Point of Sale disclosure (early 2012)
- Guest Lecture - Ethics and Social Responsibility course at the School of Continuing Studies at the University of Toronto (early 2012)

Education and Communication

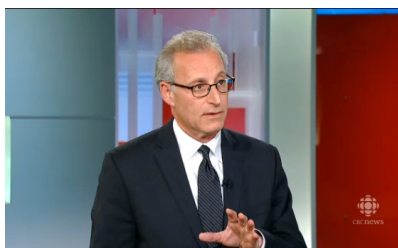
News Coverage

FAIR Canada endeavors to provide media interviews and to appear on popular television programs (such as BNN Headline, CBC's Lang & O'Leary Exchange and CTV's W5) to reach a wide audience and ensure an awareness of issues of importance in investor protection. Through this media coverage, FAIR Canada provides factual information and the investor perspective on a variety of issues. Our aim is to educate the public, governments, regulators and other stakeholders so that they are aware of potential problems and are empowered to minimize harm.

See Appendix F and our website for a list of FAIR Canada's media coverage. Some examples include:

Television

BNN—Market Call / Squeeze Play / Headline / Business Day AM
CTV News and W5
Global TV—Focus Ontario



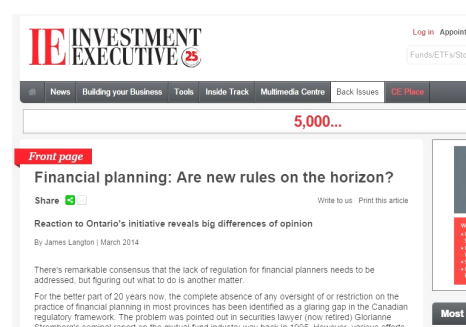
Radio

CBC Metro Morning
CBC Radio – The Current

Print and Online Media

Canadian Business Online
Investment Executive
Le Devoir
London Financial Times
Macleans
Montreal Gazette
The Calgary Herald
The Wall Street Journal
Virage

Argent
Conseiller
La Presse
Finance et Investissement
The Globe and Mail
The Toronto Star
The Vancouver Sun
The Windsor Star
The Financial Post / National Post



Notable Initiatives

Enhancing Professional Standards and the Fiduciary Duty/Clients' Best Interest Debate

Early on, FAIR Canada recognized the problems presented by a lack of a fiduciary standard owed by “financial advisors” to their clients. The organization has made remedying this gap a priority over the past several years. The topic had been the subject of significant discussion by regulators in the U.K., the U.S. and Australia but was not at the fore of discussions in Canada until FAIR Canada stimulated the debate here. FAIR Canada firmly believes that registrants should have a fiduciary duty or duty to act in the best interest of their clients. Since FAIR Canada’s initial conference on this topic, the CSA has issued a lengthy consultation document, hosted forums to discuss the best interest duty, and provided an update on the responses they have received. The CSA continues to consider this issue and FAIR Canada is committed to ensuring that this initiative is moved forward in Canada.

FAIR Canada firmly believes that registrants should have a fiduciary duty or duty to act in the best interest of their clients.

Conflicted Remuneration

FAIR Canada has worked hard to bring attention to the conflicts of interest presented by some forms of compensation.

FAIR Canada has worked hard to bring attention to the conflicts of interest presented by some forms of compensation. Of particular concern are embedded third party commissions (i.e. trailing commissions) paid by mutual fund managers (charged to investors through the management expense ratio or MER) to salespeople for selling mutual funds. These commissions are paid by investors (often unknowingly) for as long as they hold the fund. FAIR Canada believes such forms of compensation do not lead to good outcomes for investors – sales commissions are not conducive to good investment advice and do not result in effective price competition. FAIR Canada was pleased that the CSA undertook a public consultation regarding mutual fund fees in 2013 and is in the process of commissioning research regarding mutual fund fees and their effects. We will continue to press regulators to address the issues presented by conflicts of interest in remuneration structures in a timely manner.

Combating Financial Fraud

In April 2013, FAIR Canada was awarded funding from Industry Canada’s Office of Consumer Affairs to undertake research and prepare a report outlining [a strategy to combat investment fraud](#) in Canada. During 2013-2014 FAIR Canada staff undertook significant research and conducted interviews with stakeholders regarding investment fraud in Canada. The report was published in August 2014 and is available on our website. FAIR Canada will follow up with regulators, governments, and other stakeholders on the recommendations in the report.

Notable Initiatives

Exempt Market

Since January 2013, FAIR Canada has undertaken a considerable amount of work in respect of prospectus exemptions and the sale of securities to retail investors in the 'exempt market'. The exempt market in Canada is said to be larger than the prospectus-qualified market and FAIR Canada is concerned that continued expansion of the exempt market will have profound effects on investors and the reputation of Canada's capital markets. This concern is particularly acute given the ad-hoc manner in which the exempt market is currently being reformed, absent critically important data about this market and thorough research.

FAIR Canada is concerned that continued expansion of the exempt market will have profound effects on investors and the reputation of Canada's capital markets.

Crowdfunding Exemption

Newly-introduced proposals regarding crowdfunding are of great concern to FAIR Canada. We are alarmed at the rate at which these proposals are being pushed through the regulatory process despite limited information and research. In FAIR Canada's view, crowdfunding presents great risks for retail investors and we are concerned that securities regulators are not equipped to deal with the problems that such an exemption will cause. We have staunchly opposed such an exemption, but pragmatically have suggested the best possible protections for investors if regulators and governments are intent on unleashing crowdfunding on investors, as they appear to be.

Accredited Investor and Minimum Amount Exemptions

FAIR Canada has also called into question the rationale for the accredited investor criteria currently used (wealth and income) and the minimum amount exemption, as we do not believe that these financial measures are a good proxy for sophistication. We have made submissions calling for a better test that considers investors' experience in financial markets, investment-related education, and other knowledge.

Offering Memorandum

The Ontario Securities Commission (OSC) put forward proposals in early 2014 to introduce an offering memorandum (OM) exemption in Ontario. Some other CSA jurisdictions have put forth proposed amendments to their existing OM exemptions, as well. FAIR Canada has expressed concern that the problems associated with this exemption observed in other jurisdictions' experience—significant degrees of regulatory non-compliance and fraud—will be magnified if the Ontario proposal goes forward. We understand that there is great pressure on Ontario to introduce such an exemption as access to Ontario's capital markets will make it much easier for issuers to raise money under an OM exemption. As a result, FAIR Canada is concerned that if an OM exemption is introduced in Ontario it will open the floodgates and reliance on this exemption will increase dramatically, as will the associated non-compliance and investor harm. We are also concerned that the proposed amendments to the existing OM exemption are inadequate and more fundamental reform of the exempt market is required.

Notable Initiatives

Dispute Resolution

FAIR Canada has actively supported the current model that provides for a single, independent provider of dispute resolution services.

FAIR Canada has actively supported the current model that provides for a single, independent provider of dispute resolution services. The Ombudsman for Banking Services and Investments (OBSI) has been repeatedly challenged by the actions of some financial industry participants who attempt to denigrate it. FAIR Canada has made numerous submissions to regulators and the federal government in defence of a system that provides for impartial dispute resolution services that meets our G20 obligations and international standards.

Point of Sale Disclosure

FAIR Canada has supported point of sale disclosure for mutual funds, exchange-traded funds, and other securities. While disclosure is not a panacea, we believe that investors must be told - up-front - basic information about the securities they are considering. FAIR Canada has been disappointed about the amount of time it has taken to require that this information be given to investors at the time they are making an investment decision, rather than after the fact.

While disclosure is not a panacea, we believe that investors must be told - up-front - basic information about the securities they are considering.

Conflicts in Listing Regulation

FAIR Canada provided submissions to the OSC and BCSC on the need to address conflicts of interest in the TSX/TSXV's regulation of listed companies. We issued a newsletter on how the conflict of interest contributed to the listing of emerging market companies without adequate consideration of regulatory and investor protection issues. The listing of Chinese business companies without adequate due diligence, for example, has resulted in large financial losses for investors, significant costs to regulators and loss of confidence in the integrity of our regulatory system.

Notable Initiatives

Shareholder Rights

FAIR Canada has made several submissions regarding shareholder rights, including comments on amendments to the *Canada Business Corporations Act*. These comments supported mandatory voting by ballot and disclosure of results by public companies; individual election of directors; annual election of directors; and director election by majority vote. We made similar comments in late 2012 in response to proposed amendments to the TSX Company Manual. We have also supported proposals to introduce an existing security holder exemption in Canada and have provided securities regulators with our comments on venture issuer governance proposals.

FAIR Canada offered comments to the TSX and TSX-V on emerging market issuers, raising issues such as difficulties associated with compliance and requisite investigation of and enforcement action against emerging market issuers and a potential lack of expertise and resources on the part of Canadian gatekeepers to conduct due diligence on emerging market issuers.

We provided comments on the proposed recognition order for Maple, TMX Group and TSX, raising the issue that the conflict of interest between the listing regulation responsibilities and listing business operations needs to be addressed and measures implemented that meet international best practices. We provided similar comments on the need for fundamental reforms to the TSX on its proposal regarding appeals from the decision of its listing committee.

Client Relationship Model 2

FAIR Canada has been critical of the time it has taken to implement the changes put forward in CRM2 proposals and has encouraged regulators to avoid any further delay.

FAIR Canada has supported the CSA's efforts to improve cost disclosure and performance reporting to retail investors. While we are disappointed that the Client Relationship Model, Phase 2 (CRM2) is a watered-down version of the proposed Fair Dealing Model, FAIR Canada has encouraged the CSA to provide this much-needed information so that investors will be able to answer two simple questions: (1) How much did I pay? and (2) How did my investments perform?

The final phase of these reforms will come into effect in 2016.

Organizational Milestones

Charitable Status

As discussed below in the 'Accountability' section of this report, FAIR Canada was registered as a charitable organization by the Charities Directorate of Canada Revenue Agency effective April 12, 2013.

Registration as a charity is a significant milestone for FAIR Canada, as it recognizes the public benefit served by the organization's objects and provides tax advantages, including the ability to issue charitable receipts. Charitable status also further bolsters FAIR Canada's reputation as a result of heightened governance requirements and greater oversight by external parties.

Mutual Fund Fees Research

FAIR Canada has long voiced concern about the conflicts of interest inherent in trailing commissions paid by mutual fund managers. We were very pleased when the CSA released a consultation on mutual fund fees in December 2012 which identified investor protection and fairness issues the CSA believes arise from the current fee structure.

FAIR Canada submitted written comments and participated in various regulatory discussions to provide insight into the CSA's considerations. The result of these efforts was a call for proposals for further research to be conducted by independent parties. While we are concerned that such research will delay reforms, we support the CSA in its efforts to undertake comprehensive research to ensure reforms are well-informed and carefully developed.

Best Interest Standard and Mystery Shopping

Similar to the mutual fund fees initiative, **FAIR Canada has stimulated the debate in Canada on a best interest (or fiduciary) duty** for individuals and firms who make recommendations to retail investors. Spurred by our fiduciary roundtables in 2010 and 2011, a consultation paper was issued by the CSA in October 2012 on the standard of conduct for advisers and dealers. An update report was issued in late 2013, disappointingly with no further steps specified beyond waiting for the results of the mystery shop exercise and the mutual fund fees research. FAIR Canada has called on Canadian securities regulators to make progress on this initiative.

FAIR Canada has repeatedly encouraged Canadian regulators to be more proactive in identifying problems and understanding the investor experience through the use of methods of leading regulators like the U.K.'s Financial Conduct Authority. We were very pleased to see the joint OSC/IIROC/MFDA mystery shop project announced and included in the OSC's 2013-2014 priorities. The results are expected to be issued by December 2014.

Investor Advisory Panels

FAIR Canada made a submission to the Standing Committee on Government Agencies in 2009 and several representations to the OSC on the need for an investor advisory panel. The 2010 unanimous report of the Committee adopted our recommendation and the OSC announced the creation of their Investor Advisory Panel (IAP) when the report was released.

We also worked closely with the Canadian Securities Transition Office to organize two roundtables to discuss investor representation in securities regulation. We continue to press for greater investor representation in securities regulation including investor advisory panels for all securities regulators and a statutory investor panel for the proposed future common capital markets regulator.

Organizational Milestones

Leveraged Investing

FAIR Canada has drawn considerable attention to the risks posed to retail investors by leveraged investing.

We have raised many issues relating to leverage with securities regulators (including self-regulatory organizations) and have made several recommendations to prevent harm to investors including calling on regulators to introduce a rebuttable presumption that leverage is unsuitable for retail investors. FAIR Canada is particularly concerned about the conflicts of interest that arise where ‘advisors’ could be incentivized by greater sales commissions to recommend leverage where it is inappropriate for an investor. Direct relationships between dealers and lenders may speed up the ‘sale’ of leverage to investors, as the entire transaction could take place within the advisor’s office leaving limited time for consideration and reflection. This appears to be a growing problem. FAIR Canada was pleased to see that IIROC issued guidance on borrowing to invest although we would have preferred to see binding rules issued.

Group Scholarship Plans

FAIR Canada has raised serious concerns relating to group scholarship plans, calling for an overhaul of the rules beyond simply improving disclosure.

In particular, the fees charged by some such plans raise serious conflicts of interest and may incentivize salespeople to mis-sell these plans, plans that are often targeted at vulnerable communities that face language and literacy barriers. FAIR Canada also takes issue with overly restrictive conditions on educational institutions and other limitations beyond those provided in government tax rules. FAIR Canada supported the CSA’s introduction of a plan summary for scholarship plans, but expressed the view that substantive reforms are necessary to protect consumers in light of the complicated information presented, the aforementioned barriers to understanding the information presented, high pressure sales tactics, and the lack of alignment of the interests of the sales force with that of the consumer. FAIR Canada was pleased to see the OSC address the lack of compliance with the rules by issuing public interest orders against three group scholarship plan dealers in 2012 requiring that these dealers address numerous identified deficiencies and imposing independent monitors to oversee dealings with clients.

Report on Governance of the TSX

FAIR Canada led the debate on the conflict of interest between the commercial and regulatory functions of the TSX (and TSX-V) through the issuance of a report on such conflicts and recommendations to remediate the problems arising as a result. This issue was addressed at some length in the consultation papers issued by regulators in dealing with the Maple Proposal.

Building a National Investor Rights Organization

Establishing A National Board of Directors

As a national investor and shareholder rights organization, FAIR Canada is focussed on seeking out and maintaining national representation on its board of directors. FAIR Canada's eleven-member board includes independent directors from across the country, including six directors from Ontario, one from British Columbia, three from Québec, and one from Atlantic Canada. FAIR Canada continually seeks to enhance and diversify its board.

Strengthening Alliances with Other Investor Groups and Individuals Across Canada

Since its inception in 2008, FAIR Canada has sought to create and strengthen its alliances with investor and shareholder rights groups across the country. FAIR Canada believes that building and strengthening its relationships with other investor organizations forms a vital part of its role as a national investor protection organization. FAIR Canada has worked with the Canadian Coalition for Good Governance, the Small Investor Protection Association, the Québec Coalition for the Protection of Investors and FADOQ (the Québec Federation of Senior Citizens). FAIR Canada has also reached out to the Common Front for Retirement Security, the Toronto Chartered Financial Analysts Society and its US parent, the CFA Institute, as well as MEDAC in Québec. FAIR Canada also meets with the OSC's Investor Advisory Panel to discuss initiatives, exchange ideas, and identify the potential for future collaboration.

Developing Relationships with Regulators and the Financial Industry

FAIR Canada recognizes the importance of fostering an open dialogue with regulators and the financial industry to ensure open communication and an exchange of knowledge and ideas. FAIR Canada has developed relationships with securities regulators and has regularly scheduled meetings in order to discuss current issues, bring areas of concern to their attention, and to stay apprised of regulatory initiatives. We also request ad-hoc meetings to discuss particular consultations or concerns.

FAIR Canada recognizes the importance of working collaboratively with industry to advance investor rights. FAIR Canada meets with relevant individuals, investment firms, and financial industry organizations to discuss issues of importance to investors in an effort to bring awareness of investor issues to the industry's attention, to foster cooperation, and to identify common ground upon which further consensus can be built.

Additionally, FAIR Canada has developed relationships with regulators and other organizations in the U.S. and the U.K. in order to compare approaches to investor protection and maintain awareness of developments in these jurisdictions. FAIR Canada has met with the European Securities and Market Authority, participated in the International Monetary Fund's Financial Sector Stability Assessment, and received insight from researchers in Australia on reforms.

Investor Representation on Committees and Councils

FAIR Canada encourages regulators to appoint investor-focused representatives to their committees and councils. FAIR Canada represents the investor perspective on:

- OSC Investment Funds Product Advisory Committee,
- IIROC Market Rules Advisory Committee,
- OBSI Consumer and Investor Advisory Council, and
- OSC Exempt Market Advisory Committee

Accountability

FAIR Canada is accountable to its members, funders, Canada Revenue Agency, Industry Canada, donors, and the public for the use of our funds. FAIR Canada is also transparent about its activities. Below, we discuss how FAIR Canada is held accountable under law and contract, our governance structure and our efforts at transparency.

Law

FAIR Canada was incorporated under Part II of the *Canada Corporations Act* (CCA) on February 7, 2008. The organization was issued Supplementary Letters Patent on April 12, 2013. FAIR Canada is now in the process of transitioning to the new *Canada Not-for-profit Corporations Act* (CNCA), as the CNCA replaces the CCA. The CNCA provides rules that are more modern and flexible for not-for-profit corporations.

Under the CNCA, FAIR Canada is required to appoint an auditor and keep proper financial records. Since its inception, FAIR Canada has appointed an independent auditor that is experienced in not-for-profit financial reporting.

FAIR Canada's Supplementary Letters Patent set out charitable objects. FAIR Canada was registered as a charitable organization by the Charities Directorate of Canada Revenue Agency effective April 12, 2013. In light of FAIR Canada's new charitable objects, its directors are subject to high fiduciary obligations similar to those of trustees. As a result of our new charitable objects and our Ontario operations, FAIR Canada is also accountable to the Office of the Public Guardian and Trustee under the *Charitable Accounting Act*, *Trustee Act* and the broad inherent jurisdiction of the court in charitable matters.

Our Articles of Continuance set out the charitable objects of FAIR Canada, which are:

- To advance education by providing conferences, roundtables, and symposia to the public, government, and regulators about capital markets, savings, investments, and investment practices.
- To advance education by conducting research on capital markets, savings, investments, and investment practices, and publishing the findings to the public, governments and regulators .

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To advance education by conducting research on capital markets, savings, investments, and investment practices, and publishing the findings to the public, governments and regulators.

Accountability

Contract

Regulatory Enforcement Money

In the summer of 2012, FAIR Canada received funding from the Ontario Securities Commission (OSC) and the Investment Industry Regulatory Organization of Canada (IIROC). The OSC committed to funding FAIR Canada in the amount of \$500,000 per year for a two-year period. IIROC agreed to contribute \$350,000 per year over two years. The funds come from money collected by the regulators from monetary sanctions and settlements.

FAIR Canada's initial funding originated from fines and monetary penalties collected by RS and the IDA which merged to form the IIROC in June 2008. At the time, they committed to a grant of \$3.75 million, which was expected to fund FAIR Canada for a three-year period.

The funding agreements with the OSC and IIROC provide that the funds (which were from restricted funds or "fine" money) must be used to further the purposes set out in the agreements which are consistent with the objects in our Letters Patent.

The agreements also provide for semi-annual written reports on FAIR Canada's activities to ensure that funds are used in a manner consistent with the terms of the agreement. It also required FAIR Canada to implement internal controls, governance, ethical standards and to provide a copy of audited financial statements. IIROC and the OSC play no role in the activities of FAIR Canada.

Endowment Contribution

In December 2013, FAIR Canada received a generous \$2 million donation from the Jarislowsky Foundation (Stephen Jarislowsky is one of FAIR Canada's long-standing directors), which created the FAIR Canada Jarislowsky Endowment Fund. The donation is conditional on FAIR Canada raising additional matching funding of \$4 million for the Endowment Fund.

Income generated from the Endowment Fund is intended to create a secure base of funding for FAIR Canada in order to support its ongoing operations and activities in support of its charitable objects.

The endowment agreement provides that FAIR Canada will be accountable to the Jarislowsky Foundation with respect to the fund, including reporting on the use of earnings.

Transparency

We published our first Accountability Report in February 2012 which covered the time period June 2008 (when FAIR Canada commenced operations) to December 2011. The enclosed report covers our operations and activity from January 2012 through June 2014. FAIR Canada plans to publish annual accountability reports going forward.

Accountability

Members

FAIR Canada's initial members, in accordance with its By-laws, were its former and current directors. As of May 30, 2012 membership was expanded to include individuals who have been dedicated to advancing the interests of the investing public. Currently, we have thirty-eight individual members including former and current directors.

Governance and Board of Directors

FAIR Canada is governed by a board of directors consisting of eleven directors at June 30, 2014. The Board of Directors is responsible for appointing and supervising executive staff; budgeting and reporting on FAIR Canada's finances; managing its assets and investments; maintaining appropriate policies and practices; and providing strategic direction and setting priorities for the organization. As noted above, Directors have a fiduciary duty and a duty of care to FAIR Canada.

The Board is composed of directors from across the country—one from Western Canada, six from Ontario, three from Québec and one from Atlantic Canada. In selecting the eleven independent members of the Board of Directors, the following were key criteria in identifying potential Directors:

- knowledge and experience in financial markets;
- expertise in law, financial disclosure and regulation;
- representation of different regions of Canada;
- representation of investors, with particular reference to individual investors; and
- reputation for integrity and acting in the public interest.

Directors receive no compensation for serving on the board. The Board generally meets quarterly and holds a strategic planning meeting each year. The last strategic planning meeting was held on May 21, 2014. In addition to the regular board meetings, staff also consults Directors on important policy positions and reports.

Executive Committee

Since 2008, the Board expanded from six to eleven directors to increase diversity and expertise. In light of the expansion, in 2011 the Board established an Executive Committee. The mandate of the Executive Committee includes assisting the Board in its oversight and implementation of FAIR Canada's mission, policy priorities, and human resource management. The Executive Committee is also tasked with reviewing this accountability report and contributing to and reviewing the organization's funding strategy to help ensure the long-term sustainability of the organization. The current members of the Executive Committee are Ellen Roseman (Chair), Neil de Gelder, Rossa O'Reilly, Dawn Russell, and Marc Ryan.

Finance and Audit Committee

The Board has established a Finance and Audit Committee (composed of a minimum of three directors) which oversees the financial aspects of the organization. The financial statements of FAIR Canada are audited, and its fiscal year runs from July 1 to June 30. The Board-appointed auditor is Cowperthwaite Mehta, Licensed Public Accountants, which specializes in not-for-profit administration. The current members of the Finance and Audit Committee are Robert Pouliot (Chair), Rossa O'Reilly, and Ellen Roseman.

Accountability

Current Directors



Preet Banerjee

*Toronto, ON
Director since June 2014*

Preet is a former investment advisor, well-known across Canada for his insightful commentaries on personal finance and practice standards within the investment business. He is the author of books on RRSPs and on financial success, and an immensely popular blog on investing and finance (wheredoesallmymoneygo.com). Preet also is a columnist for the Globe and Mail, a member of the CBC's Bottom Line panel, and a television host on the OWN Network.



Neil de Gelder

*Stern Partners Inc.
Vancouver, BC
Director since June 2008*

Mr. de Gelder is a past Executive Director of the British Columbia Securities Commission. He practiced law with a leading Canadian law firm for almost 25 years with a focus on mergers and acquisitions, financings, corporate governance and financial services matters. He joined Stern Partners Inc., a private investment company, as Executive Vice President in 2005 and is involved in all aspects of the group's activities.



Stephen Jarislowsky

*Jarislowsky Fraser Limited
Montreal, QC
Director since June 2008*

Stephen Jarislowsky is a Harvard Business School graduate. In 1955 he co-founded Jarislowsky, Fraser & Company, where he served as President for over 40 years and currently acts as Chairman and CEO. The firm is now one of the most successful investment management firms in Canada. He is also a co-founder of the Canadian Coalition for Good Governance. He is the recipient of honorary doctorates of law from several Canadian universities.



Rossa O'Reilly

*CFA Society Toronto
Toronto, ON
Director since November 2012*

Rossa O'Reilly was a Managing Director, Institutional Equity Research at CIBC World Markets for 26 years (1984-2010) and a Vice President and Director of Dominion Securities (predecessor firm to RBC Capital Markets) for 14 years (1971-1984). He has 40 years of experience analyzing publicly traded equities in the real estate, conglomerate and transportation sectors and developing stock market strategy. He is a past board member and chairman of the CFA Institute and a past trustee of the CFA Institute's Research Foundation.



Ermanno Pascutto

*Toronto, ON
Director since June 2008*

Ermanno Pascutto has had a career spanning over 30 years as a senior securities regulator and legal practitioner in the financial markets in Canada and Hong Kong. He is the initial Executive Director of FAIR Canada and is a former Executive Director of the OSC. Before joining the OSC, he was Director of the Market Policy Division of the Toronto Stock Exchange. He is a former independent director of Market Regulation Services Inc., an SRO which merged with the IDA to form IIROC in June 2008. Mr. Pascutto is a former Vice-Chairman of the Hong Kong Securities and Futures Commission.



Robert Pouliot

*Université du Québec à Montréal
Montreal, QC
Director since May 2009*

Robert Pouliot lectures in governance and fiduciary risk at the School of Management Sciences at the Quebec University in Montreal and the College des administrateurs de sociétés (Laval University). He was worked for over 33 years in credit and fiduciary risk by establishing two rating agencies in the Middle East for banks (Capital Intelligence) and Switzerland for asset managers (Rating Capital Partners). He cofounded the Coalition for the protection on investors in 2006 in Quebec and heads the FidRisk book collection at Thomson-Reuters. He also acts as expert in various fiduciary litigations.

Accountability

Current Directors



Ellen Roseman

*Toronto Star
Toronto, ON
Director since March 2009*

Ellen Roseman is a personal finance and consumer affairs columnist and former business editor of the *Toronto Star*. She previously spent two decades at the *Globe and Mail* as a columnist on consumer affairs, personal finance and mutual funds, and was associate managing editor of the *Report on Business*. Ms. Roseman is also author of numerous books for consumers and retail investors.



Dawn Russell

*St. Thomas University
Fredericton, NB
Director since November 2011*

Dawn Russell is President and Vice-Chancellor of St. Thomas University in Fredericton, New Brunswick. Prior to that, she practiced law in Halifax for five years with Stewart McKelvey Stirling Scales. She was the first female Dean of the Dalhousie Law School (now the Schulich School of Law at Dalhousie University). Ms. Russell was a Public Governor of the Canadian Investor Protection Fund from 1998-2006. She was a member of the Crawford Panel on a Single Securities Regulator (2005-7), and the Expert Panel on Securities Regulation in Canada (2008-10).



Marc Ryan

*Independent Investor
Montreal, QC
Director since November 2012*

Marc is a lawyer by profession who lives in Montreal. He graduated in Chemical Engineering from McGill University and in law from the Université de Montréal where he also earned a Masters in Business Law. Marc worked for three years with the Quebec Securities Commission (now the Autorité des Marchés Financiers or AMF) as a lawyer, and as an advisor to the Commission itself. Thereafter, he specialized as legal counsel in financial and securities law with Bell Canada and its parent company, BCE Inc. Until his retirement he held various management positions including as General Counsel and Corporate Secretary. Marc founded in 2008 IndependentInvestor.info, a bilingual internet site which publishes information for individual investors.



Larry Waite

*Toronto, ON
Director since May 2014*

Larry is a former President and CEO of the Mutual Fund Dealers Association of Canada. Over the course of his 35-year regulatory career, he also served as Executive Managing Officer and Director of Enforcement for the Ontario Securities Commission. Larry brings to the board a wealth of knowledge and experience drawn from his extensive involvement in policy development and administration at both the national and provincial levels.



Laura Tamblyn Watts

*Toronto, ON
Director since May 2014*

Laura is a Senior Fellow at the Canadian Centre for Elder Law and formerly served as its National Director. She co-chairs the Law and Aging team of the National Initiative for Care of the Elderly, as well as co-facilitating the World Study Group on Elder Law. Laura also is a past chair of the Consumer and Investor Advisory Council established by the Ombudsman for Banking Services and Investments. Laura currently teaches at the University of Toronto where she is obtaining her doctorate jointly from the Faculty of Law and the Institute for Life-course and Aging.

Accountability

Past Directors



Ed Waitzer *Stikeman Elliott LLP | Toronto, ON | June 2008—March 2009*

Mr. Waitzer was Chair of Stikeman Elliot LLP from 1999 to 2006 and is a senior partner whose practice has focused on complex business transactions. He also advises on a range of public policy and governance matters. He has served (1993-1996) as Chair of the Ontario Securities Commission (and of the Technical Committee of the International Organization of Securities Commissions) and as Vice-President of The Toronto Stock Exchange. Mr. Waitzer has been the Falconbrige professor of Law at Osgoode Hall Law School and is currently the Jarislowsky Dimma Mooney chair in Corporate Governance and is director of the Hennick Centre for Business and Law at Osgoode Hall Law School and Schulich School of Business at York University.



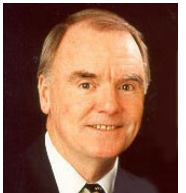
Whipple Steinkraus *Director | Toronto, ON | June 2008—January 2009*

Whipple Steinkraus was a director from June 2008 until her untimely death in January 2009. During this brief period, Whipple made an enormous contribution mentoring Ermanno Pascutto and ensuring that our focus would be on retail investors and the “financial advisor” relationship. Ms. Steinkraus was a retired Assistant Deputy Minister of Business Practices in the then Ontario Ministry of Consumer and Commercial Relations. In that capacity, she was responsible for the administration of 21 consumer protection and regulatory statutes.



Stanley Beck *Granville Arbitrations Limited | Toronto, ON | June 2008—September 2012*

Stanley Beck is a former Chair of the Ontario Securities Commission (1984-1989) and is currently President of Granville Arbitrations Limited. Mr. Beck serves as a Director of a number of Canadian corporations and as Chairman of GMP Capital Corp. and of the 407 ETR Concession Company Ltd. Mr. Beck was a Professor at Osgoode Hall Law School from 1967 to 1990 and was Dean of Osgoode from 1977 to 1982.



Stan Buell

Small Investor Protection Association (SIPA) | Toronto, ON | February 2011—May 2013

Mr. Buell is President of the Small Investor Protection Association, a national non-profit organization with over 600 members in ten provinces across Canada. In 2010, Mr. Buell was appointed to the Ontario Securities Commission Investor Advisory Panel.



Tania Willumsen *Willumsen Consulting | Okotoks, AB | January 2010—November 2013*

Tania Willumsen has over forty years of experience as a senior executive in the areas of institutional investment management and pensions. A past Director with the Institute of Corporate Directors, she has been a frequent speaker on pension and corporate governance issues. Ms. Willumsen currently serves as independent advisor on numerous pension and investment committees.



Glorianne Stromberg *Director | Toronto, ON | July 2013—November 2013*

Glorianne was a securities lawyer, now retired. Former Commissioner of the Ontario Securities Commission. Author of three reports on regulatory strategies relating to the provision of financial services. Frequent speaker and commentator on matters relating to the investment funds industry, the financial services sector, and the protection of investors.



Claude Lamoureux *Ontario Teachers' Pension Plan | Toronto, ON | June 2008—May 2014*

Claude Lamoureux has more than 35 years of executive experience in the financial, pension and investment industries. He was the inaugural President and CEO of the Ontario Teachers' Pension Plan. He oversaw Teachers' development into one of the world's leading pension plans with more than \$100 billion in net assets, an innovative investment program, and outstanding services to more than 250,000 plan members. Mr. Lamoureux co-founded the Canadian Coalition for Good Governance.

Accountability

Staff

FAIR Canada operates with a small, full-time staff of four employees. The Executive Director leads the staff consisting of a Director of Policy and COO, Legal Counsel and Corporate Secretary, and Office Administrator and Treasurer. From time to time FAIR Canada uses consultants and students to assist with particular projects.



Neil Gross

*Executive Director
Since February 2014*

Neil Gross has been a lawyer for over 30 years specializing in investment malpractice litigation and securities law. He has represented retail and institutional investors across Canada in hundreds of disputes involving every major investment product category. Though best known for representing investors, Neil also has acted as legal counsel for a broad cross-section of investment professionals in regulatory enforcement proceedings and other litigation matters – giving Neil a uniquely balanced perspective on a host of issues affecting investors and their financial advisors.



Marian Passmore

*Director of Policy and COO
Since April 2011*

Marian Passmore is Director of Policy and COO at the Canadian Foundation for Advancement of Investor Rights (FAIR Canada). Prior to joining FAIR Canada, Marian was Associate Director in the Regulatory Affairs Group at Advocis, The Financial Advisors Association of Canada, where she was involved in many policy issues facing the financial services sector. Marian is a lawyer who articulated and practiced litigation at Osler, Hoskin & Harcourt LLP from 1995 to 2000 and from 2000 to 2005 worked in-house at Ernst & Young LLP's legal department as Legal Counsel where she had a litigation management role including defending professional negligence actions.



Lindsay Speed

*Legal Counsel and
Corporate Secretary
Since June 2010*

Lindsay Speed is FAIR Canada's Legal Counsel and Corporate Secretary. Ms. Speed is a lawyer who has a long-held interest in securities regulation and investor protection. She obtained both her Bachelor of Commerce and law degrees from the University of Windsor. Ms. Speed summered and articulated at Gowling Lafleur Hender-son LLP prior to joining FAIR Canada.



Jessica Chen

*Treasurer and
Office Administrator
Since September 2010*

Jessica Chen serves as FAIR Canada's treasurer and office administrator. Before joining FAIR Canada, Jessica worked as a research assistant and teaching assistant in Economics and Human Resource Management while completing her Finance degree at Ryerson University. Jessica was also president of the Ryerson University Chinese Students and Scholars Association (RUCSSA), and in that capacity she worked closely with the Chinese Students and Scholars Association (CSSA) during her undergraduate years.

Financials

FAIR Canada was officially launched in June 2008. It operates independently from government and regulatory authorities and is governed by its Board of Directors. Funding originated from fines and monetary penalties collected by RS and the IDA which merged to form IIROC in June 2008. Their commitment to a one-time grant of \$3.75 million provided funding for FAIR Canada's operations until December of 2012. As discussed above, in 2012 IIROC and the OSC provided two-year funding to FAIR Canada for a total of \$1.7 million.

Funds received from IIROC must be held at one or more Canadian chartered banks or trust companies. Monies in excess of operating costs are managed in accordance with FAIR Canada's Investment Policy. All cash accounts, instruments, and investment portfolios are held in FAIR Canada's name.

FAIR Canada's fiscal year runs from July 1 to June 30. Attached as Appendices A and B are FAIR Canada's audited financial statements for the fiscal years ending June 30, 2013 and June 30, 2014 (forthcoming). A summary of statement of operations and net assets for fiscal years 2012 and 2013 follows.

Statement of Operations and Net Assets

REVENUE	2011-2012	2012-2013
Operating grants	\$ 897,700	\$ 850,000
Investment Income	8,200	15,796
Project funding	9,226	0
Other revenue	650	7,450
Total Revenue	913,350	875,672
EXPENSES		
Compensation and Benefits	563,189	556,989
Occupancy	69,923	45,224
Communications and Marketing	43,620	28,183
General and administrative	31,250	20,318
Research and Consultations	24,514	14,911
Travel and Meetings	8,349	7,139
Other	4,225	4,481
Amortization	2,579	0
Total Expenses	747,649	677,225
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	165,701	198,447
Net assets, beginning of year	562,075	727,776
NET ASSETS, END of YEAR	\$ 727,776	\$ 926,223

FAIR

Canadian Foundation *for*
Advancement *of* Investor Rights
Fondation canadienne *pour* l'avancement
des droits *des* investisseurs

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www.faircanada.ca**

Appendix A — 2012-13 Financial Statements

CANADIAN FOUNDATION FOR
ADVANCEMENT OF INVESTOR
RIGHTS

FINANCIAL STATEMENTS

JUNE 30, 2013

Appendix A — 2012-13 Financial Statements

Cowperthwaite Mehta

C H A R T E R E D A C C O U N T A N T S

INDEPENDENT AUDITOR'S REPORT

To the Members,
Canadian Foundation for Advancement of Investor Rights

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Foundation for Advancement of Investor Rights which comprise the statement of financial position as at June 30, 2013, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Foundation for Advancement of Investor Rights as at June 30, 2013, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Cowperthwaite Mehta

Chartered Accountants
Licensed Public Accountants

September 18, 2013
Toronto, Ontario

187 Gerrard Street East Toronto Canada M5A 2E5 Telephone 416/323-3200 Facsimile 416/323-9637

Appendix A — 2012-13 Financial Statements


CANADIAN FOUNDATION FOR ADVANCEMENT OF INVESTOR RIGHTS


STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2013

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	\$ 941,372	\$ 737,041
Sales taxes recoverable	5,794	
Prepaid expenses	<u>8,070</u>	<u>9,170</u>
	<u>\$ 955,236</u>	<u>\$ 746,211</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 16,963	\$ 18,435
Deferred revenue (note 4)	<u>12,050</u>	<u></u>
	<u>29,013</u>	<u>18,435</u>
Net assets		
Unrestricted	<u>926,223</u>	<u>727,776</u>
	<u>\$ 955,236</u>	<u>\$ 746,211</u>

Approved on behalf of the Board:


_____, Director


_____, Director

see accompanying notes

Page 1

Appendix A — 2012-13 Financial Statements

CANADIAN FOUNDATION FOR ADVANCEMENT OF INVESTOR RIGHTS

STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
REVENUE		
Operating grants	\$ 850,000	\$ 897,700
Interest	15,796	8,200
Project funding	9,226	
Other revenue	650	7,450
	<u>875,672</u>	<u>913,350</u>
EXPENSES		
Compensation and benefits	556,989	563,189
Occupancy	45,224	69,923
Communications and marketing	28,163	43,620
General and administrative	20,318	31,250
Research and consultations	14,911	24,514
Travel and meetings	7,139	8,349
Other	4,481	4,225
Amortization		2,579
	<u>677,225</u>	<u>747,649</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	198,447	165,701
Net assets, beginning of year	<u>727,776</u>	<u>562,075</u>
NET ASSETS, END OF YEAR	<u>\$ 926,223</u>	<u>\$ 727,776</u>

see accompanying notes

Appendix A — 2012-13 Financial Statements

CANADIAN FOUNDATION FOR ADVANCEMENT OF INVESTOR RIGHTS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
OPERATIONS		
Excess of revenue over expenses for the year	\$ 198,447	\$ 165,701
Add back non-cash items:		
Amortization of capital assets		2,579
Net change in non-cash working capital items:		
Increase in sales taxes recoverable	(5,794)	
Decrease in prepaid expenses	1,100	8,348
Increase (decrease) in accounts payable and accrued liabilities	(1,472)	6,923
Increase in deferred revenue	<u>12,050</u>	<u></u>
NET INCREASE IN CASH FOR THE YEAR	204,331	183,551
Cash and cash equivalents, beginning of year	<u>737,041</u>	<u>553,490</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 941,372</u></u>	<u><u>\$ 737,041</u></u>

see accompanying notes

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Appendix A — 2012-13 Financial Statements

CANADIAN FOUNDATION FOR ADVANCEMENT OF INVESTOR RIGHTS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

1. THE ORGANIZATION

Canadian Foundation for Advancement of Investor Rights (the "organization") is a not-for-profit organization incorporated by letters patent under the Canada Corporations Act without share capital. The organization acts to advance education about capital markets, savings, investments and investment practices by conducting research and publishing findings, and by providing conferences, roundtables and symposia, to the public, governments and regulators.

The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations on a basis consistent with prior years. Outlined below are those policies considered particularly significant:

Cash and cash equivalents

Cash and cash equivalents consists of cash and guaranteed investment certificates, with maturities not exceeding 90 days, with insignificant risk of changes in value.

Financial instruments

The organization's financial instruments include cash and cash equivalents, sales taxes recoverable, and accounts payable and accrued liabilities. Cash and cash equivalents are recorded at fair value. All other financial instruments are recorded at cost.

Capital assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives.

Revenue recognition

The organization follows the deferral method of revenue recognition. Its principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) Revenue on investments is recorded when earned. Realized and unrealized gains and losses are recognized as investment income as they arise.
- ii) Revenue from operating grants and all other fundraising sources are recorded in the period they are received unless the contribution has special restrictions on its use imposed by the donors.
- iii) Government and foundation project funding related to current expenditures are reflected in the accounts as a revenue item in the current year. Project funding received in the year for expenses to be incurred in the following fiscal year are recorded as deferred revenue. Funding related to the purchase of property and equipment is recorded as revenue in the same period the related property and equipment are charged to operations.

Expense recognition

Expenses for goods or services are recorded when incurred.

Appendix A — 2012-13 Financial Statements

CANADIAN FOUNDATION FOR ADVANCEMENT OF INVESTOR RIGHTS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

3. FINANCIAL RISKS

Financial instruments expose the organization to risks which may affect the cash flows of the organization. Specifically:

Market risk is the risk that fluctuations in interest rates will reduce the organization's cash flow. Term deposits which have a floating interest rate may be subject to unfavourable interest rate fluctuations.

Liquidity risk is the risk that the organization will not be able to meet its obligations associated with financial liabilities. Agreements are in place that provide operating grants sufficient to maintain operations of the organization for the next fiscal year.

It is management's opinion that the organization is not exposed to significant market or liquidity risks.

4. DEFERRED REVENUE

Funding received for ongoing projects has been deferred to the extent that it has not been spent at year end. The continuity of deferred revenue is as follows:

	2013	2012
Deferred revenue, beginning of year	\$ nil	\$ nil
Add cash received for project funding in year	21,276	
Less project funding recognized in revenue in the year	<u>(9,226)</u>	<u></u>
Deferred revenue, end of year	<u>\$ 12,050</u>	<u>\$ nil</u>

5. CONTRIBUTED SERVICES

The Executive Director of the Foundation provided services to the organization at less than the remuneration specified by contract. The donated portion of these services of \$20,358 (2012 - \$12,833) has not been recorded as either a contribution or an expense in the statement of operations. Other donated materials and services which are normally purchased by the organization are not recorded in the accounts.

6. LEASE COMMITMENTS

The organization occupies two offices under a lease which expires December 2013, with the option to continue to occupy the space under a month to month lease. Additional office space is rented on month to month lease, as needed.

Appendix B — 2013-14 Financial Statements

**CANADIAN FOUNDATION FOR
ADVANCEMENT OF INVESTOR
RIGHTS**

FINANCIAL STATEMENTS

JUNE 30, 2014

Appendix B — 2013-14 Financial Statements

Comperthwaite Mehta

C H A R T E R E D A C C O U N T A N T S

INDEPENDENT AUDITOR'S REPORT

To the Members,
Canadian Foundation for Advancement of Investor Rights

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Foundation for Advancement of Investor Rights which comprise the statement of financial position as at June 30, 2014, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Foundation for Advancement of Investor Rights as at June 30, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comperthwaite Mehta

Chartered Accountants
Licensed Public Accountants

September 23, 2014
Toronto, Ontario

187 Gerrard Street East Toronto Canada M5A 2E5 Telephone 416/323-3200 Facsimile 416/323-9637

Appendix B — 2013-14 Financial Statements

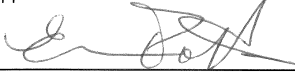
CANADIAN FOUNDATION FOR ADVANCEMENT OF INVESTOR RIGHTS

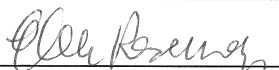
STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2014

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,219,712	\$ 941,372
Accounts receivable	201,808	
Sales taxes recoverable	15,362	5,794
Prepaid expenses	8,380	8,070
Investments held in trust for Endowment Fund (note 3)	<u>1,997,643</u>	
	<u>\$ 3,442,905</u>	<u>\$ 955,236</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 13,649	\$ 16,963
Deferred revenue (note 3)	<u>2,000,000</u>	<u>12,050</u>
	<u>2,013,649</u>	<u>29,013</u>
Net assets		
Unrestricted	<u>1,429,256</u>	<u>926,223</u>
	<u>\$ 3,442,905</u>	<u>\$ 955,236</u>

Approved on behalf of the Board:

 , Director

 , Director

see accompanying notes

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Appendix B — 2013-14 Financial Statements

CANADIAN FOUNDATION FOR ADVANCEMENT OF INVESTOR RIGHTS

STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2014

	2014	2013
REVENUE		
Operating grants	\$ 1,050,000	\$ 850,000
Project funding	80,161	9,226
Donations	33,269	
Investment income	21,255	15,796
Other revenue	<u>2,834</u>	<u>650</u>
	<u>1,187,519</u>	<u>875,672</u>
EXPENSES		
Compensation and benefits	552,801	556,989
Occupancy	43,165	45,224
Communications and marketing	36,421	28,163
General and administrative	20,875	20,318
Travel and meetings	14,022	7,139
Research and consultations	13,204	14,911
Other	<u>3,998</u>	<u>4,481</u>
	<u>684,486</u>	<u>677,225</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	503,033	198,447
Net assets, beginning of year	<u>926,223</u>	<u>727,776</u>
NET ASSETS, END OF YEAR	<u>\$ 1,429,256</u>	<u>\$ 926,223</u>

see accompanying notes

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Appendix B — 2013-14 Financial Statements

CANADIAN FOUNDATION FOR ADVANCEMENT OF INVESTOR RIGHTS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014

	2014	2013
OPERATIONS		
Excess of revenue over expenses for the year	\$ 503,033	\$ 198,447
Adjust for non-cash item: Unrealized loss	2,357	
Net change in non-cash working capital items:		
Increase in accounts receivable	(201,808)	
Decrease in sales taxes recoverable	(9,568)	(5,794)
(Increase) decrease in prepaid expenses	(310)	1,099
Decrease in accounts payable and accrued liabilities	(3,314)	(1,471)
Increase in deferred revenue	<u>1,987,950</u>	<u>12,050</u>
Net cash generated by operations	2,278,340	204,331
INVESTING ACTIVITIES		
Purchase of endowment investments	<u>(2,000,000)</u>	
NET INCREASE IN CASH FOR THE YEAR	278,340	204,331
Cash and cash equivalents, beginning of year	<u>941,372</u>	<u>737,041</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,219,712</u>	<u>\$ 941,372</u>

see accompanying notes

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Appendix B — 2013-14 Financial Statements

CANADIAN FOUNDATION FOR ADVANCEMENT OF INVESTOR RIGHTS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Canadian Foundation for Advancement of Investor Rights (the "organization") is incorporated without share capital as a not-for-profit organization continued under the *Canada Not-for-profit Corporations Act* (CNCA). The organization acts to advance education about capital markets, savings, investments and investment practices by conducting research and publishing findings, and by providing conferences, roundtables and symposia, to the public, governments and regulators.

The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Cash and cash equivalents

Cash and cash equivalents consists of cash and guaranteed investment certificates, with maturities not exceeding 90 days, with insignificant risk of changes in value.

Financial instruments

The organization's financial instruments include cash and cash equivalents, sales taxes recoverable, investments held in trust for Endowment Fund and accounts payable and accrued liabilities. Cash and cash equivalents, investments held in trust for Endowment Fund are recorded at fair value. All other financial instruments are recorded at cost.

Capital assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives.

Revenue recognition

The organization follows the deferral method of revenue recognition. Its principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) Revenue on investments is recorded when earned. Realized and unrealized gains and losses are recognized as investment income as they arise.
- ii) Revenue from operating grants and all other fundraising sources are recorded in the period they are received unless the contribution has special restrictions on its use imposed by the donors.
- iii) Government and foundation project funding related to current expenditures are reflected in the accounts as a revenue item in the current year. Project funding received in the year for expenses to be incurred in the following fiscal year are recorded as deferred revenue. Funding related to the purchase of property and equipment is recorded as revenue in the same period the related property and equipment are charged to operations.

Expense recognition

Expenses for goods or services are recorded when incurred.

Appendix B — 2013-14 Financial Statements

CANADIAN FOUNDATION FOR ADVANCEMENT OF INVESTOR RIGHTS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

2. FINANCIAL RISKS

Financial instruments expose the organization to risks which may affect the cash flows of the organization. Specifically:

Market risk is the risk that fluctuations in interest rates will reduce the organization's cash flow. Term deposits which have a floating interest rate may be subject to unfavourable interest rate fluctuations.

Liquidity risk is the risk that the organization will not be able to meet its obligations associated with financial liabilities. Agreements are in place that provide operating grants sufficient to maintain operations of the organization for the next fiscal year.

It is management's opinion that the organization is not exposed to significant market or liquidity risks.

3. DEFERRED REVENUE

Deferred revenue is composed of the following:

	2014	2013
Project funds	\$	\$ 12,050
Endowment Fund contributions	<u>2,000,000</u>	<u></u>
Deferred revenue, end of year	<u>\$ 2,000,000</u>	<u>\$ 12,050</u>

In 2014, the organization received \$2,000,000 to establish an Endowment Fund for the purpose of providing operating funds for the organization to further its mission in future years. Under the terms of the agreement, the organization must raise an additional \$4,000,000 in matching contributions to add to the Endowment Fund. Should the required matching contributions not be received by the deadlines set out in the agreement, the donor has the right to the return of the original capital.

The continuity of deferred revenue is as follows:

	2014	2013
Deferred revenue, beginning of year	\$ 12,050	\$ nil
Add cash received	2,068,111	21,276
Less project funding recognized in revenue in the year	<u>(80,161)</u>	<u>(9,226)</u>
Deferred revenue, end of year	<u>\$ 2,000,000</u>	<u>\$ 12,050</u>

4. LEASE COMMITMENTS

The organization occupies three offices under a lease which expires December 2014, with the option to continue to occupy the space under a month to month lease. Additional office space is rented on a month to month lease, as needed.

Appendix C

Editorials in Investment Executive

[Culture of Resistance is the Problem, not Regulatory Burden](#)

By Neil Gross | June 23, 2014

After stonewalling reforms for years, the investment industry has no one but itself to blame for the onslaught it now complains about.

[Fundamental Change to OBSI is Needed](#)

By Neil Gross | May 26, 2014

With some dealers making a mockery of OBSI, it's time for regulators to build a dispute-resolution system that cannot be subverted.

[Investor Confidence: Gone in 60 milliseconds](#)

By Neil Gross | April 28, 2014

It's essential that regulators move quickly on high-frequency trading to ensure securities exchanges and ATSs operate in a manner that all investors — regardless of their size or speed — can utilize with utmost confidence.

[Standards Needed for Risk Tolerance Assessments](#)

By Neil Gross | March 31, 2014

The development of detailed standards for risk-tolerance assessment will enhance consumer protection and help advisors and their dealers reduce their exposure to claims and disciplinary proceedings.

[The CSA Must Act on Critical Reforms](#)

By Ermanno Pascutto | March 02, 2014

Two key issues — the best-interests standard and reform of mutual fund fees — require timely and effective action.

[Treat Shareholders Fairly When Venture Issuers Raise Capital](#)

By Ermanno Pascutto | February 03, 2014

FAIR Canada supports exemptions that have the key features of rights offerings or private placements in compliance with the TSXV's private placement rules.

[Reform of Accredited Investor Exemption is Needed](#)

By Ermanno Pascutto | January 06, 2014

Current regulations assume that an investor's wealth is a proxy for sophistication. This has to change.

[Canadians Deserve Real Price Competition in Mutual Funds](#)

By Ermanno Pascutto | November 25, 2013

Paying fees for financial advice separately from those of financial products would result in real price competition as well as better advice and lower costs to clients.

[Proposed OM Exemption Not Supported by the Facts](#)

By Ermanno Pascutto | October 28, 2013

Ontario intends to harmonize its rules regarding the offering memorandum with other provinces; the question is, why would it want to given the experiences seen to date?

[Crowdfunding May Not Be All It's Cracked Up To Be](#)

By Ermanno Pascutto | September 30, 2013

The deregulation of securities laws to allow anyone to invest via equity crowdfunding is like the Titanic heading into iceberg alley.

Appendix D

FAIR Canada Open Letters

- April 26, 2013 [Letter to CSA re Misleading Use of Business Titles and Financial Designations](#)
- November 12, 2012 [FSCO Unsuitable Recommendations to Borrow to Invest](#)

FAIR Canada Submissions — 2013-14

- June 18, 2014 [OSC Proposed Prospectus Exemptions](#)
- June 18, 2014 [CSA Offering Memorandum Exemption](#)
- June 18, 2014 [BCSC Start-Up Crowdfunding](#)
- June 18, 2014 [CSA Crowdfunding and Start-Up Exemptions](#)
- June 2, 2014 [OSC 2015 Draft Priorities](#)
- May 28, 2014 [CSA Proposed Amendments to AI & MA Exemptions](#)
- May 26, 2014 [CSA Implementation of Stage 3 of Point of Sale Disclosure for Mutual Funds](#)
- May 23, 2014 [CSA Guidance on Dispute Resolution Services – Client Disclosure](#)
- May 15, 2014 [CBCA Consultation – Shareholder Rights](#)
- April 23, 2014 [CSA Securitized Products Exemption](#)
- April 10, 2014 [IIROC CRM2 Proposals](#)
- March 12, 2014 [CSA risk classification methodology proposal](#)
- March 5, 2014 [Proposed Amendments to Regulatory Framework for Dealers, Advisers and Investment Fund Managers](#)
- February 7, 2014 [Financial Planning Consultation](#)
- January 20, 2014 [Proposed Exemption for Distributions to Existing Security Holders](#)
- November 6, 2013 [Saskatchewan Equity Crowdfunding Exemption](#)
- October 18, 2013 [Proposed Trading Structure for Aequitas Innovations Exchange](#)
- October 18, 2013 [Point of Sale disclosure in the insurance, banking and securities sectors](#)

Appendix D

FAIR Canada Submissions — 2012-13

August 23, 2013	<u>CSA Modernization of Investment Fund Product Regulation</u>
August 12, 2013	<u>OBSI's proposed changes to its Terms of Reference</u>
June 3, 2013	<u>OSC Statement of Priorities</u>
April 12, 2013	<u>CSA Mutual Fund Fees</u>
April 12, 2013	<u>BCSC NI 45-106 New Exemption</u>
March 19, 2013	<u>AMF Offering Memorandum Exemption and Equity Crowdfunding</u>
March 9, 2013	<u>IIROC Request for Comments re Use of Business Titles and Financial Designations</u>
March 8, 2013	<u>OSC Exempt Market Review: OSC Staff Consultation Paper 45-710 Considerations for New Capital Raising Prospectus Exemptions</u>
February 28, 2013	<u>TSX Consultation Paper on Emerging Market Issuers</u>
February 22, 2013	<u>CSA Consultation Paper 33-403 Statutory Best Interest Standard</u>
February 20, 2013	<u>Multilateral CSA Notice 45-311</u>
January 31, 2013	<u>Proposed Revocation of BC Instrument 32-513 (the Northwestern Exemption) and BC Instrument 32-517 (the MIE exemption)</u>
January 25, 2013	<u>Dispute Resolution Service</u>
January 18, 2013	<u>IIROC Outsourcing Arrangements</u>
December 12, 2012	<u>CSA Venture Issuer Governance and Disclosure Requirements</u>
November 12, 2012	<u>FSCO Unsuitable Recommendations to Borrow to Invest</u>
November 12, 2012	<u>IIROC Compensation Structures for Retail Accounts</u>
November 12, 2012	<u>TSX Proposed Amendments re Listing Appeals</u>
November 5, 2012	<u>TSX amendments to Part IV of the Company Manual</u>
October 15, 2012	<u>IIROC Proposed Guidance on Certain Manipulative and Deceptive Trading Practices</u>
October 12, 2012	<u>Unclaimed Intangible Property Program</u> (Ontario AG)
October 11, 2012	<u>IIROC Restricted Dealer Member Proposal</u>

Appendix D

FAIR Canada Submissions — 2012

October 4, 2012	<u>IIROC Guidance on Borrowing for Investment Purposes</u>
September 14, 2012	<u>CSA Cost Disclosure and Performance Reporting</u>
September 6, 2012	<u>CSA Implementation of Stage 2 of Point of Sale Disclosure for Mutual Funds</u>
August 13, 2012	<u>Federal Ministry of Finance Approved External Complaints Bodies (Banks and Authorized Foreign Banks) Regulations</u>
July 9, 2012	<u>OBSI suitability and loss assessment consultation</u>
June 22, 2012	<u>Second Notice and Request for Comment re Maple Group Acquisition Corporation</u>
June 21, 2012	<u>Consolidation of IIROC Enforcement Procedural Examination and Approval Rules</u>
June 6, 2012	<u>FSCO's Draft Statement of Priorities</u>
June 4, 2012	<u>Proposed Recognition Order for Maple Group</u>
June 1, 2012	<u>Consultation on the Framework for Reforming the Board of Directors of OBSI</u>
May 30, 2012	<u>Transparency of Short Selling and Failed Trades</u>
May 18, 2012	<u>OSC draft 2012-2013 Statement of Priorities</u>
May 18, 2012	<u>The Investor Advisory Panel – Input Sought</u>
May 3, 2012	<u>IIROC Dealer Member Margin Rules</u>
April 30, 2012	<u>Incorporation of Individual Representatives Project</u>
March 9, 2012	<u>AMF Compensation Consultation</u>
February 29, 2012	<u>CSA Review of Minimum Amount and Accredited Investor Exemptions</u>
February 2, 2012	<u>Requirement to Disclose Membership in IIROC as Dealer Member</u>
February 2, 2012	<u>MFDA By-law No.1 Amendments</u>
January 24, 2012	<u>CSA Second Request for Comment on the Modernization of Scholarship Plan Regulation Phase 1: A New Prospectus Form for Scholarship Plans</u>

Appendix E

FAIR Canada Newsletters/Newsflashes

June 2014	<u>Culture of Resistance is the Problem, Not Regulatory Burden</u>
May 2014	<u>FAIR Canada Announces New Directors</u>
April 2014	<u>FAIR Canada Launches Ambitious Funding Campaign</u>
March 2014	<u>The CSA Must Act on Critical Reforms</u>
February 2014	<u>Treat Shareholders Fairly When Venture Issuers Raise Capital</u>
January 2014	<u>Reform of Accredited Investor Exemption is Needed</u>
December 2013	<u>Support the work of FAIR Canada</u>
November 2013	<u>Canadians Deserve Real Price Competition in Mutual Funds</u>
October 2013	<u>Crowdfunding may not be all it's cracked up to be</u>
September 2013	<u>FAIR Canada's 5 Rules for Avoiding Investment Fraud</u>
September 2013	<u>Canadian Regulator Steps Closer to Reality</u>
August 2013	<u>OBSI Appeasement Efforts Fail: Critics Urge Reduced Consumer Protection</u>
July 2013	<u>Exempt Market – Lack of Compliance, Lots of Fraud, Why Expand it Further?</u>
June 2013	<u>Disingenuous Arguments from Mutual Fund Lobbyists</u>
May 2013	<u>Rumble on Bay Street: OSC Announces Four Public Hearings for June</u>
April 2013	<u>Reforming Mutual Fund Fee Structure Critical For Canadians</u>
March 2013	<u>FAIR Canada Opposes Equity Crowdfunding</u>
February 2013	<u>Statutory Best Interest Standard Highly Desirable and Feasible</u>
January 2013	<u>FAIR Canada Launches Investor Resources Page</u>

Appendix E

FAIR Canada Newsletters/Newsflashes

December 2012	<u>FAIR Canada's 2013 Wish List</u>
November 2012	<u>"Value of Advice" Claims "Completely Refutable"</u>
November 2012	<u>OBSI "Name and Shame" of Octagon</u>
October 2012	<u>Leveraging Strategies Continue to Harm Investors</u>
September 2012	<u>FAIR Canada Supports the CSA's Proposed Cost and Performance Reporting Requirements</u>
August 2012	<u>Federal Consumer Complaints Regulations Need Major Reform</u>
July 2012	<u>Transparency and Cooperation Promote More Effective Enforcement</u>
June 2012	<u>Listed Company Scandals Will be Repeated</u>
May 2012	<u>Bricks and Bouquets for Regulators</u>
April 2012	<u>Canadians Deserve a Financial Ombudsman that Meets International Standards</u>
March 2012	<u>Victims of Fraud and Insolvency Need Better Compensation</u>
February 2012	<u>FAIR Canada Releases its Accountability Report</u>
January 2012	<u>Overhaul of Group Scholarship Plan Rules Needed to Protect Consumers</u>

Appendix F

FAIR Canada News Coverage — 2014

June 24, 2014	<u>Financial Post - Real estate investors locked out of crowdfunding craze over fear home flippers will move in</u>
June 20, 2014	<u>The Vancouver Sun – Rush of private-placement deals sparks review by regulators</u>
June 12, 2014	<u>Financial Post - IIROC to name names as bulk of fines against individuals go unpaid</u>
June 7, 2014	<u>Globe Advisor - Ensure your adviser is not just a salesman</u>
June 6, 2014	<u>Wealth Professional – Bond market transparency improving, slowly</u>
June 3, 2014	<u>CBC News – Choosing a financial adviser: 4 things to consider</u>
June 2, 2014	<u>Law Times - OSC Praised for Crowdfunding Policy</u>
May 22, 2014	<u>Financial Post - Larry Waite joins board of investor advocacy group FAIR Canada</u>
May 22, 2014	<u>Investment Executive - FAIR Canada announces new directors</u>
April 30, 2014	<u>Investment Executive - FAIR Canada launches fundraising campaign</u>
April 25, 2014	<u>CTV News Calgary - Consumer Watch</u>
April 23, 2014	<u>The Globe and Mail - Retail-investor advocate seeks greater independence</u>
April 10, 2014	<u>Techvibes – Equity Crowdfunding is Too Dangerous, Says Investor Protection Group</u>
April 10, 2014	<u>CBC radio – Kickstarter meets Bay Street: Selling shares through crowdfunding</u>
April 2, 2014	<u>Financial Post - Regulators call for more research before tackling mutual fund fees</u>
April 2, 2014	<u>The Vancouver Sun - B.C. regulators eye green light for equity crowdfunding</u>
March 27, 2014	<u>GlobalAdvisor.com – Looser rules would raise billions – at a cost</u>
March 27, 2014	<u>Financial Post - RCMP charges six men accused of massive fraud that cost feds and thousands of investors millions</u>
March 20, 2014	<u>BC Business – BCSC Proposes New Startup Crowd Funding Rules</u>
March 20, 2014	<u>The Globe and Mail - Regulators unveil crowdfunding rules for startups</u>
March 17, 2014	<u>The Insurance and Investment Journal – Ontario Private Member’s Bill Stirs Debate on Regulation of Financial Advisors</u>
March 1, 2014	<u>CBC News – OSC to accept ‘no-contest’ settlement agreements</u>

Appendix F

FAIR Canada News Coverage — 2014

March 2014	Investment Executive - Financial planning: Are new rules on the horizon?
February 27, 2014	The Globe and Mail - Regulators propose tighter rules for 'exempt market'
February 27, 2014	Financial Post - Securities regulators move to keep people from 'investing more than they can afford'
February 24, 2014	Financial Post - Will regulatory changes reduce 'inappropriate' leveraged investing?
February 19, 2014	Financial Post - IIROC puts heat on dealers to protect clients who borrow to invest
January 21, 2014	Cassels Brock – FAIR Canada Provides Commentary on the OSC's Proposed Offering Memorandum Exemption
January 20, 2014	The Insurance Journal – Banning Embedded Commissions
January 20, 2014	BNN – New Funding Rules Needed for Small Cap Stocks?

FAIR Canada News Coverage — 2013

December 14, 2013	The Star - New discount mutual funds have lower management fees
December 13, 2013	Investment Executive - Proposed OM exemption not supported by the facts, FAIR Canada says
December 9, 2013	The Star – Let's protect investors from risky startups: Roseman
December 6, 2013	The Globe and Mail - When will mutual funds unhitch their trailing fees?
December 4, 2013	Financial Post - Regulators mulling rules to allow crowdfunding in Canada
December 2013	Investment Executive - Crowdfunding proposals spur debate
December 2013	Investment Executive - Regulation: IIROC still considering key changes
December 2013	Investment Executive - Survey: Clients prefer fee choices
November 2013	Investment Executive - Fund Facts: Focus on risk
November 25, 2013	Investment Executive - Canadians deserve real price competition in mutual funds
November 12, 2013	Financial Post - Investors don't need more protection, industry report says
November 7, 2013	Investment Executive - Sask. crowdfunding rule opposed
November 5, 2013	BNN - Equity Crowdfunding: Safe for Canadian Investors?

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November 5, 2013	The Windsor Star - Costly advice: Why the road to investor compensation is long and winding
October 2013	Investment Executive - To leverage, or not?
October 28, 2013	Reuters – Canadian financial advisers resist change to fee model
October 28, 2013	Business Vancouver – Crowdfunding a risky game: FAIR Canada
October 28, 2013	Investment Executive - Proposed OM exemption not supported by the facts
October 22, 2013	Investment Executive - Hybrid book proposal deserves a chance
September 2013	Investment Executive - Ombudservice: Protecting investors
September 30, 2013	Investment Executive - Crowdfunding may not be all it's cracked up to be
September 23, 2013	CBC Metro Morning – “Financial Fraud Epidemic”
September 20, 2013	Globe Advisor.com – Ottawa renews push for national regulator
September 19, 2013	Resource Clips – Canada to maybe get a single securities regulator, sort of
September 19, 2013	Toronto Star – Feds, Ontario and B.C. agree on co-operative securities regulator; first step to national body
September 19, 2013	The Vancouver Sun - B.C. finance minister optimistic provinces will see merit in national securities regulator
September 19, 2013	Investment Executive - Quebec opposed to co-op regulator, industry pleased
September 19, 2013	BNN – Moving Towards a National Securities Regulator (Part I) (Part II)
September 19, 2013	BNN - Flaherty announces new 'co-operative' securities regulator
September 19, 2013	The Globe and Mail - Flaherty announces new 'co-operative' securities regulator
September 10, 2013	Alberta Venture – Under Construction: Why Alberta's exempt market needs work
September 5, 2013	The Globe and Mail - Crowd-funding: Can mass appeal translate into street smarts?
August 24, 2013	The Globe and Mail - Crime without Punishment: Canada's investment found problem
August 19, 2013	The Insurance and Investment Journal – Embedded Fees Investor Groups and Industry Polarized
August 10, 2013	Crowdfund Insider – I-Canada Alliance Has Petition in Support of Canadian Crowdfunding

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July 30, 2013	Investment Executive - FAIR Canada announces board changes
July 30, 2013	Investment Executive - Fix exempt market before expanding it: FAIR Canada
July 23, 2013	PRNewswire – OSC Announces Investment Funds Product Advisory Committee Members for 2013-2015
July 23, 2013	Canada Newswire – OSC Announces Investment Funds Product Advisory Committee Members for 2013-2015
July 23, 2013	Advisor.ca - OSC Faces Backlash on Fiduciary Standard
July 23, 2013	Investment Executive - OSC IFPAC members announced (same article on Ottawa Citizen)
July 18, 2013	The Province – Canadian regulators crank up expectations for exempt market
July 15, 2013	The Windsor Star – Industry, investors to debate higher standards for investment advisors (same article on The StarPhoenix)
July 9, 2013	Ottawa Citizen – Tension mounting over access to information that can move markets
July 8, 2013	Investment Executive - Why some advisors might abandon mutual funds
June 17, 2013	Financial Post - In praise of mutual fund trailer fees
June 15, 2013	Toronto Star - Embedded mutual fund commissions hurt investors
June 14, 2013	The Globe and Mail - OSC forms new fraud squad
June 14, 2013	Financial Post - Welcome to Canada's exempt market: Exclusive, anything goes investments — but play at your own risk
June 13, 2013	Ottawa Citizen - Mutual fund investors to receive plain language information about costs, risks
June 13, 2013	Financial Post - Mutual fund investors to receive plain language information about costs, risks
June 11, 2013	Toronto Star – Let's trim embedded fees for mutual fund dealers
June 7, 2013	Investment Executive - Discord at trailer fee roundtable
June 2013	Investment Executive - Regulation: OSC takes centre stage
May 27, 2013	The Globe and Mail - The problem with young people? No money
May 10, 2013	Huff Post – Financial Planners May Not Have Your Best Interests in Mind
May 1, 2013	Vancouver Sun - Am I a 'shill' for the money masters?

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April 30, 2013	Advisor.ca – A Better Place to Park Your Clients’ Cash
April 29, 2013	Leader Post - Regulators asking why Canadian fees higher than in U.S. and U.K
April 29, 2013	Vancouver Sun – Regulators ask why investment fees higher than U.S., U.K.
April 13, 2013	Financial Post - Mutual funds: Would we buy them if we knew the costs?
April 13, 2013	Financial Post - Industry and investor advocates face off over higher advisor standards
April 1, 2013	Mississauga.com – Pain of swindle continues for woman whose broker stole \$700,000 life savings
March 27, 2013	BNN - FAIR Canada Opposes Equity Crowdfunding
March 26, 2013	Investment Executive - Improve registration check for investors: FAIR Canada
March 20, 2013	IT Business – Public ‘lacks financial literacy’ for crowdfunding: investors group
March 19, 2013	BNN Market Sense - Statement of Investor Rights
March 18, 2013	Crowdfund Insider – The Canadian Foundation for Advancement of Investor Rights (FAIR) Opposes Equity Crowdfunding
March 18, 2013	Yahoo Finance - FAIR Canada Opposes Equity Crowdfunding-True Capital Formation Requires Efficient Markets and Strong Investor Protection
March 18, 2013	Investment Executive - FAIR Canada opposes equity crowdfunding
March 5, 2013	Investment Executive - Registration check the first step to prevent fraud
March 1, 2013	The Bottom Line – Tougher advisors’ standards up for debate
February 28, 2013	Investment Executive - Statutory best interest duty needed for investors
February 5, 2013	National Post – Lack of Duty
February 1, 2013	The Globe and Mail - Carrick on money: As if you needed a reason to hate Toronto
February 2013	Investment Executive - Defending the retail investor
January 31, 2013	Investment Executive - B.C. extends comment period for Northwest exemption
January 29, 2013	Investment Executive - FAIR Canada rolls out investor resources
Mid-January 2013	Investment Executive – Fixing fund fees
January 14, 2013	The Globe and Mail - After Nortel verdict, RCMP’s fraud unit racks up dismal conviction record
January 3, 2013	Investment Executive – BCSC proposes revoking Northwest exemption

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December 20, 2012	Investment Executive – FAIR Canada releases investor protection wish list
December 10, 2012	Financial Post - Doing the Math
December 7, 2012	The Windsor Star – Stock fraudster living good life in Michigan
December 3, 2012	Yahoo – OSC raps ‘gatekeeper’ Ernst & Young in Sino-Forest case
December 2, 2012	Macleans.ca – How Alberta became a wild west for small investors
November 26, 2012	Investment Executive - FAIR Canada announces governance changes (same article in MarketWatch , and Advisor.ca)
November 14, 2012	Investment Executive - FAIR Canada supports OBSI “name and shame” action
November 14, 2012	Financial Post - Don’t do business with firms ‘named and shamed’ by OBSI: FAIR
November 2012	Investment Executive - Is the voice of investors weakening?
November 2012	Investment Executive - IIROC takes on U.S. brokers
November 2012	Investment Executive - Leveraged investing poses big risks
October 30, 2012	The Globe and Mail – OSC targets corporate ‘gatekeepers’
October 25, 2012	Financial Post - Canadian regulators weighing higher standards for financial advisors
October 23, 2012	Investment Executive - Investors hurt by high fund fees: analyst
October 23, 2012	Investment Executive - Regulators zero in on leveraging strategies
October 20, 2012	The Vancouver Sun – White-collar criminals get break from B.C. Supreme Court ruling
October 19, 2012	PressDisplay – FAIR Canada urges greater consumer protection
October 18, 2012	Ottawa Citizen – Borrowing to invest rules face scrutiny
October 18, 2012	Financial Post - Leveraging risks ‘significant losses’ for most
October 9, 2012	Investment Executive - IIROC announces MRAC members
October 4, 2012	Financial Post - New rules on director elections coming soon for TSX-listed firms

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October, 2012	<u>Investment Executive - Fund firms challenge amendments</u>
September, 2012	<u>OBSI The Bottom Line – Consumer rules decried as anti-consumer</u>
September 6, 2012	<u>The Globe and Mail – Laurentian to pay fine over sale of leveraged ETFs</u>
August 24, 2012	<u>The Globe and Mail – Canada’s banks want to tame watchdog’s bite</u>
August 19, 2012	<u>The Globe and Mail – When ‘sophisticated investors’ aren’t really that sophisticated</u>
July 2012	<u>Canadian Lawyer Magazine - A lack of substance</u>
July 31, 2012	<u>The Globe and Mail – Growing ‘exempt market’ draws scrutiny of securities regulators</u>
July 23, 2012	<u>Maclean’s – Inside Job</u>
July 18, 2012	<u>Investment Executive - Legislators must force cultural change in financial services, says UK advocacy group</u>
July 14, 2012	<u>Winnipeg Free Press – An education in group RESPs</u>
July 13, 2012	<u>Maclean’s – When banks are too big to behave</u>
July 9, 2012	<u>Investment Executive - New banking complaints oversight rules draw criticism</u>
July 7, 2012	<u>Financial Post - Ottawa lays out new rules for bank complaints</u>
July 4, 2012	<u>Investment Executive - More funding for FAIR Canada</u>
July 3, 2012	<u>Yahoo Finance – Ontario Securities Commission Provides Funding to the Canadian Foundation for the Advancement of Investor Rights (FAIR Canada)</u>
June 27, 2012	<u>Investment Executive - Should Canada have a single national securities regulator?</u>
June 27, 2012	<u>CBC News – Securities regulator fails to collect majority of fines</u>
June 27, 2012	<u>CBC News – Securities regulators’ fines called ‘a farce’</u>
June 14, 2012	<u>Financial Post - Inching toward improved fee, performance disclosure</u>
June 11, 2012	<u>BNN – Executive Compensation and Say on Pay</u>
June 8, 2012	<u>BNN – Is ‘say on pay’ the solution?</u>

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June 8, 2012	<u>Investment Executive - FSCO urged to protect consumers, improve accountability</u>
May 2012	<u>Investment Executive - Leverage class action certified</u>
May 31, 2012	<u>Financial Post - Investor group critical of 'unfair' access to company documents</u>
May 23, 2012	<u>The Star – Facebook IPO: Another day, another lawsuit</u>
May 18, 2012	<u>Investment Executive - FAIR calls for consolidated registration database</u>
May 18, 2012	<u>The Star – Why exempt markets rules are deeply flawed (hint: First Leaside)</u>
May 8, 2012	<u>The Ombuds Blog - FAIR Canada Endorses IOA Standards</u>
April 2012	<u>Canadian Lawyer Magazine – Regulator at a crossroads</u>
April 30, 2012	<u>Investment Executive - Investor protection office fails to launch</u>
April 30, 2012	<u>Investment Executive - Canada needs to live up to international standards for banking complaints</u>
April 13, 2012	<u>The Globe and Mail – An 'accredited' investor is not necessarily a savvy one</u>
April 1, 2012	<u>The Province - Canada lags on fee-transparency issue</u>
March 30, 2012	<u>Business Recorder - Can Canada back up tough talk on securities crimes?</u>
March 28, 2012	<u>Money Marketing – EU looks to boost consumer protection on PRIPs</u>
March 28, 2012	<u>Financial Post - The long, winding road to advisor reform</u>
March 27, 2012	<u>Investment Executive - Reforms needed to ensure the quality of investment advice: report</u>
March 27, 2012	<u>Investment Executive - Ontario to boost OSC enforcement</u>
March 26, 2012	<u>Financial Post - Financial advisors face stricter disclosure rules</u>
March 26, 2012	<u>Reuters Canada - Analysis: Can Canada back up tough talk on securities crimes?</u>
March 20, 2012	<u>Investment Executive - Investor protection should include fraud and insolvency coverage: FAIR Canada</u>
March 20, 2012	<u>Reuters Africa – OSC's post-Sino review faults listing process</u>

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FAIR Canada News Coverage — 2012

March 20, 2012	Toronto Star - OSC spots concerns with oversight of emerging market firms – like almost everything
March 15, 2012	Winnipeg Free Press – Too good to be true
March 2, 2012	Investment Executive - Opposing views on exempt market reform
February 29, 2012	Reuters Canada - Canada’s OSC promises change, gives few details
February 27, 2012	CBC News – Why your portfolio may not be as healthy as you think
February 22, 2012	Investment Executive – Under Review - Dealers of group resps say they are facing some “unprecedented” requirements as part of the regulatory overhaul of this sector
February 17, 2012	The Globe and Mail - The flaws in Canada’s financial adviser system
February 7, 2012	Investment Executive – Will FAIR Canada still get funding?
January 31, 2012	The Globe and Mail – Just say no to OSC’s no-contest settlements
January 25, 2012	The Globe and Mail - Leveraging: Where math and emotion are a bad mix
January 18, 2012	Financial Post - OSC enforcement leaves money on the table
January 15, 2012	Investment News – Canada Supreme Court nixes securities regulator

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FAIR Canada French News Coverage — 2012-13

3 juillet 2013	<u>Finance et investissement - Pourquoi certains conseillers pourraient abandonner les fonds communs</u>
14 juin 2013	<u>Finance et investissement - Le procès des commissions de suivi</u>
11 avril 2012	<u>OSBI récolte des appuis contre les banques</u>
28 mars 2012	<u>LaPresse.ca – OSBI: l'arbitre des services financiers en mode survie</u>